

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEW MEXICO**

UNITED STATES,

Plaintiff,

v.

No. 15-CV-680 MCA/WPL

**HIGH PLAINS LIVESTOCK, LLC,
dba PRODUCERS LIVESTOCK AUCTION,
MICHAEL FLEN, CALVIN PAREO, and
DARCIE PAREO,**

Defendants.

ORDER

THIS MATTER is before the Court *sua sponte*.

BACKGROUND

On January 11, 2016, the Court appointed Gayland Cowen as Special Master in this matter. [Doc. 104] Subsequently, the United States filed *United States’ Motion for Appointment of Receiver and/or Co-Special Master, or Preliminary Injunctive Relief*. [Doc. 153] Therein, the United States argues that “[b]ased on the current record generated by the Special Master, the United States simply cannot determine whether Defendants are in compliance with GIPSA requirements.” [Doc. 153, p. 25] The United States’ *Motion* remains under advisement, and the Court does not act on it at this time. However, the Court concludes that during the interim, further limited information from Mr. Cowen is necessary.

In the Court's *Order Appointing Gayland Cowen as Special Master*, the Court ordered, *inter alia*, a periodic "compilation of the prior week's dealer activities[.] . . . This compilation shall include a financial reconciliation of the 'cow account,'" [Doc. 104, ¶ I.11, 12], as well as the same compilation and financial reconciliation regarding non-dealer operations and the operating account. [Doc. 104, ¶ II.8, 9] The Court also ordered the Special Master to "report to the Court and the parties any irregularities apparent in any of the Defendants' accounts, property, and activities associated with the dealer operations." [Doc. 104, ¶ IV.1]

Mr. Cowen has been submitting copies of High Plains' bank statements, along with a document for each account which he titles "Reconciliation," which has the following headings: Check number; date; "o/s deposits"; "o/s checks"; bank balance; balance for books; difference. [See, e.g., Doc. 216-1] Further, it is apparent from Mr. Cowen's billing statements that he has inquired of Defendants as to certain matters. For example, on May 10, 2016, Mr. Cowen's "billing worksheet" notes the following "Inquired re: EFT to Hamburger-Breeding Bulls for Operations: Jordan Pareo-same as Pareo Farms Inc." [Doc. 219] **Significantly, Mr. Cowen has not provided the Court any information about any irregularities or any inquiries he has made to the parties.**

ANALYSIS

The difficulty with the format of the reconciliations used by Mr. Cowen is that it does not allow the Court (and secondarily, the parties) to quickly and easily determine whether there are irregularities or overdrafts and identify the irregularities and overdrafts, if any. One of the purposes of the appointment of a special master is to "address

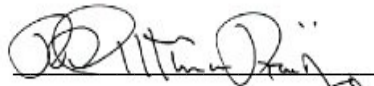
pretrial . . . matters that cannot be effectively and timely addressed by an available district judge or magistrate judge.” 9 James Wm. Moore et al., *Moore’s Federal Practice*, § 53.02[4] (3d. ed. 2013).

The Court orders Mr. Cowen to generate a monthly *report* in text form stating whether there are or have been overdrafts or any irregularities in High Plains’ accounts and explaining the basis for such conclusion, as well as continuing to submit the bank statements and reconciliations. Further, any time that Mr. Cowen perceives a potentially unusual entry or irregularity and inquires as to that matter, or takes other notable action on this matter, the Court orders Mr. Cowen to report to the Court the potential issue, his action, and the matter’s resolution, if any.

CONCLUSION

Wherefore, the Court HEREBY ORDERS Mr. Cowen, as Special Master, to prospectively prepare reports consistent with this Court. The Court further HEREBY ORDERS Mr. Cowen, as Special Master, to generate a report consistent with this Order for the period of January, 2016 through July, 2016, and said report to the Court shall be due August 10, 2016.

SO ORDERED in Albuquerque New Mexico this 18th day of July, 2016.



M. CHRISTINA ARMJO
Chief United States District Court Judge